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THE OFFICIAL NEWSLETTER OF TECHNOLOGY SOLUTIONS

February 2005

## **CHOOSING NEW SOFTWARE CAN BE CONFUSING - A GOOD RFP MAY HELP**

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Whether you are selecting an enterprise solution or best-of-breed application, the software evaluation process can be costly, time-consuming, and complicated. In most companies, these challenges are intensified as time is at a premium, budgets are tight, and expectations are high.

Even after determining your company's needs, you are faced with the daunting task of aligning those needs to the vendors' true capabilities versus promises. Well-crafted vendor presentations and diverse pricing models make it increasingly difficult to make apples-to-apples comparisons.

So what can you do?

One way to help cut through the confusion is to develop a formal Request-for-Proposal (RFP) for use in the evaluation process. A well thought-out RFP can not only help you better evaluate competing products; it is also likely to help you improve focus on your company's needs and priorities. In most cases, the time spent on this exercise results in better decisions.

### How to Write an RFP

If you're like most companies, everyone involved in the selection process already has a full day-to-day workload. Managing the selection and implementation of a new system will be difficult, even before adding the work of writing an RFP. Many companies find that hiring a qualified consultant to assist in the process, both in writing the RFP and evaluating vendor responses, actually reduces overall project costs by delivering better results in a shorter timeframe.

Good consultants are up to speed on the latest technologies as well as the benefits and drawbacks of software solutions for your industry. But keep in mind that, while a consultant can help guide the creation of a good RFP, your own teams must input their knowledge of your company's processes and needs. This information remains critical to the effectiveness of your RFP.

### Key Elements of an RFP

Whether you hire a consultant or do-it-yourself, the five key elements of a quality RFP remain the same. You need to:

1. Define why you are seeking new technology
2. Describe your business and processes
3. Specify what information you require from vendors
4. Describe the evaluation criteria
5. Define how the selection process will work.

Each of these elements is vital to helping vendors decide if and how they should participate in your process, as well as to insuring that you get the best possible information to use in your decision making process.

Defining why you are seeking new software requires a clear, concise statement of what you hope to accomplish with the new system. As with all elements of the RFP, this description need not be elaborate, but they must clearly define your needs. Describing your business may seem unnecessary, but providing information on the products you produce, how you manufacture or source them, your positioning in the industry, the types of volume you generate, and other relevant details is important to helping potential suppliers envision the degree of fit their products have in your environment.

Providing specifics as to what information you want from vendors will help you avoid receiving responses that you are not interested in or do not answer your specific questions. It is also advisable to provide the format that you want to receive the information in, so that you can evaluate competing proposals more efficiently. You should spend some time describing the evaluation criteria you will use in evaluating the solutions.

Before sending the RFP to vendors, don't forget to add a section describing what your expectations are for the process moving forward. This should include things like deadlines for responses, when key decisions will be made, how demonstrations are to be organized, how contract negotiations are to be conducted, and other similar milestones in your process.

Remember, there is no right or wrong way to write an RFP. However, an RFP that follows these guidelines will make the process easier for both you and your suppliers. Even as the document provides time and cost benefits in the process, the act of building it will likely help you sharpen your focus and arrive at the best solution for your company's needs.

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